

IPP Technical Evaluation

US Partner(s):	Carnegie Mellon University, Graduate School of Industrial Administration
NIS Partner(s):	International Management Institute (IMI)
Location of site visit(s):	Kiev
Date of visit(s):	November 7-9, 1996
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A) Discuss the strongest aspects of the technical and professional work being done by this partnership.

This was by far one of the best partnerships out of the five reviewed. IMI is a mature organization with excellent capacity, links, and infrastructure. The Institute's faculty members are well trained, tri-lingual, and experienced at working with other international organizations and donors. The Institute has good technical facilities, computer classes, and even a real time Reuters link. Most importantly, this partnership is part of a larger overall program that the Ukrainian partner is implementing.

This partnership has benefited greatly from a full time US presence in IMI to improve the overall efficiency of the grant and the partnership.

On the technical side, this partnership has been particularly successful in developing and running a simulation of FAST ("Financial Analysis and Securities Trading"), in adapting and implementing a Management Game as part of their training, and in developing their executive education capacity. It is important to note that these aspects of the grant are successful because they are useful training tools and materials that the Ukrainian organization integrated into their overall program, making it sustainable. These aspects of the grant will be discussed further below.

Discuss the weakest aspects of technical and professional work being done by this partnership.

Fortunately for this partnership, the Ukrainian partner proved to be mature and capable. However, IMI was not sufficiently involved in the writing of the grant itself, and up to very recently did not have full access to the budget. Given IMI's experience with these types of programs, it may have been a valuable resource in helping the US partners devise their budgets more efficiently and increase output, while keeping costs the same.

Technically, IMI finds the US partner quite satisfactory, however organizationally they have not been as responsive to requests and correspondence as the Ukrainians would have wanted.

Gennady Kanishchenko, Deputy Director of IMI, is a very capable and energetic person. He works on too many projects simultaneously, however, which may detract from the overall quality of his work. This is compounded by the fact that a US Peace Corps volunteer who was involved in this program recently left.

Recommendations for Improvement:

If this grant is extended, the Ukrainian partner should be given the opportunity to take a more active role in designing the grant.

Mr. Gennady Kanishchenko has indicated that to ease his workload, the Institute is now in the process of hiring two additional people.

The Executive Education Program is being marketed mostly to companies that have already begun undergoing the privatization process. Perhaps consulting projects can be expanded to these same companies, rather than relying only on western companies operating in the Ukraine.

B) What do the Russian or Ukrainian partners see as the "criteria for success" for their partnership project activities? How close are they to attaining them?

The main criteria for success for the Ukrainian partner are the individual success of each program component and its full integration into their overall program and contribution to their sustainability.

FAST and FAST II are already part of the Executive and MBA programs and fees are charged for those who attend these programs.

The Management Game is already part of the MBA program and fees are charged for those who attend.

The Executive Education program is already underway and fees are being earned from it. It could, however, be further expanded.

The Lenders and Borrowers program is also on its way, but needs refinement and expansion, such as the design of additional modules and a case study.

The consulting projects are currently being implemented, but they could be expanded further.

Recommendations for Improvement:

Most of the components of this grant are well under way and are integrated into their overall program. The one component that appears to be floundering is the Lenders and Borrowers module that is still being designed. IMI would like to expand the program to include more aspects related to the commercialization of high technology.

Both the Consulting Projects and the Executive Education program can be expanded to include more Ukrainian clients.

C) Describe the technical merit and appropriateness of the following program components:

1. Training (This will be based on review of curricula, interviews of trainers and trainees, effectiveness of marketing, and observations, where possible, of training sessions.)

- Management Game

The Management Game is already being used extensively by IMI (each game lasts 6 months). IMI has a perpetual license to run this game which is now an integral part of the MBA program. It has received very high marks from students. The staff of IMI knows how to run the game and can now do it without the assistance of the US partner. It is commendable that IMI has been able to enlist local business people to sit as volunteers on the boards of directors of these "companies". (The game has examples of developing economies, but unfortunately not in the NIS.)

The Management Game is an excellent business teaching tool and is well suited for students from NIS countries. Therefore, this tool can be easily replicated in other teaching centers across the NIS. IMI can be used as a center to train business trainers from other regions in Ukraine and NIS countries.

- Executive Education

The Executive Education program is now well underway and IMI is looking to further improve it by adding the Management Game. It is very useful and beneficial to the local partner and local business community.

It is especially gratifying to see that not only is the Ukrainian partner benefiting from this partnership, but so is the US partner. As part of this grant, in February of 1997 IMI will hold a three day seminar for a US audience on the topic of International Business in Ukraine.

Recommendations for Improvement (What could be done to improve the quality of the training sessions? Are the teaching methods appropriate? Is the material current and accurate? What could be done to better market the training sessions?)

- Management Game

The Management Game is an excellent business training tool. It would benefit from the inclusion of countries such as Ukraine or Russia into the game's software.

Only one other person knows how to use the game apart from Gennady Kanishchenko. Therefore, it would be beneficial for the sustainability of this aspect of the grant if additional IMI staff members were trained on the facilitation of this game.

- Executive Education

According to IMI, the Executive Education Program should be marketed more aggressively, especially to indigenous Ukrainian companies. This situation should improve once additional staff are hired by IMI and Mr. Kanishchenko becomes more available. IMI will then be able to expand its program by accepting additional students.

The topics covered by the Executive Education program are extensive, but they could be expanded to include courses on commercialization of high technology (also indicated by IMI to be a priority). In addition, the curriculum could benefit from other simulation programs apart from FAST, such as a currency exchange market simulation.

As noted previously, IMI has an excellent Executive Education Program, which is likely one of the most progressive programs in Ukraine. Therefore, it would be beneficial to use this program to train business trainers from other Ukrainian training centers, such as Donetsk or Lviv.

2. Products (These include curricula and training materials, handbooks, audio/video/computer materials, translations, etc. developed in part or whole with funding from this grant.)

- FAST & FAST II

The "Financial Analysis and Security Trading" simulation has been run a number of times and is now a regular part of the MBA and Executive Education programs. FAST has received high marks from students and professors. A number of IMI faculty members are trained on facilitating FAST which ensures the Institute can continue to offer this course. The high demand for this type of business training and the fees charged for the program make it sustainable. It was beneficial for some of the professors to be trained in Moscow so they could better determine how this program can be implemented in Ukraine.

The FAST II promises to be another effective training tool. IMI has received a donation of a Reuters link which allows them to conduct a simulation using real securities and prices. It is a simulation, like FAST, but it uses real-time data (actual prices of securities and commodities) to allow students to trade in real world markets. The students are able to track the international market as it happens. FAST II is fed actual securities prices by a Reuters link. FAST II provides students daily with real data which ensures that the material is relevant and current.

- Lenders and Borrowers Program

This program replaced the New Business Incubator initiative that was part of this partnership. The partnership made the wise decision to not establish an incubator, which would have required the involvement and commitment of many different organizations. This decision is a testament to the responsiveness and flexibility of the two partners. Two modules (one for lenders and one for borrowers) have already been piloted. Another module on equity capital is in the process of being written. Again, these are subject matters that are needed in Ukraine and have been adapted for a Ukrainian audience. It has been especially beneficial for the partnership to enlist the assistance and cooperation of various funds such as the Eurasia Foundation and the Ukraine Enterprise Fund. This ensures that the material being taught is current and relevant. IMI is also in the midst of preparing a case study for borrowers and lenders on negotiation methods. This should contribute to the skills of the Ukrainian trainers and make the course material more relevant and accessible to students.

Recommendations for Improvement (What could be done to improve the quality of the products? Is the material current and accurate? What could be one to better market the products?)

- FAST & FAST II

FAST is designed to simulate a variety of different markets, including emerging markets (in Asia, not the NIS). However, this simulation could be made more relevant to Ukrainian students by including a simulation of the NIS market, especially the Ukrainian market.

- Lenders and Borrowers Program

The Lenders and Borrowers Program is still being designed, although individual modules have already been written and taught. The program is theoretical in nature and would be more relevant to business people if it used a case study of an actual loan given in Ukraine.

It is an excellent idea to cooperate with foreign funds like the Eurasia Foundation and include them in the teaching process. Foreign funds are presently making most of the investments in Ukraine, however, in the future these funds will be replaced by local banks.

Therefore, it is important to seek the participation of the local banks, as they will become the principal lenders in the future.

3. Consulting Services (This will be based on interviews with newly trained consultants, review of the local consulting products, discussion with the recipients of consulting services effectiveness of marketing, and where possible, observation of consulting sessions.)

- Consulting Projects

The MBA program in Kyiv is one of the oldest in the former Soviet Union and its graduates have gone on to responsible positions in Ukrainian companies. MBA students at IMI provide consulting services to local western companies and for US companies wishing to enter the Ukrainian market. IMI has been able to raise modest funds from these consulting fees. These consulting projects appear to be effective, however, the client base is rather small.

Recommendations for Improvement (What could be done to improve the quality of the consulting services? What could be done to better market the consulting services?)

- Consulting Projects

IMI should widen its marketing efforts, as it currently focuses on western companies. The institute is focusing its marketing efforts on western companies. There is a growing new private sector in Ukraine, especially in Kyiv, that would benefit from these consulting services. In addition, IMI could market these services to some of the larger international consulting companies, such as the Big Six group (Ernest and Young, Price Waterhouse, Deloitte and Touche). Often these companies serve large local clients and western clients looking to expand to Ukraine.

IMI could improve the US-based training for consulting students by giving them more opportunities to provide actual consulting services to US companies on doing business in Ukraine. Many US companies are interested in expanding to new international markets, but lack the information required to do so. IMI students could fill in this information gap.

The same holds true for Ukrainian companies, as many are interested in finding new partners, buyers, and sources of supply. Before departing for the US, Ukrainian students could conduct research or make contacts on behalf of local Ukrainian companies in the US.

Training would be most effective if these projects were designed by the students, IMI, and the US or Ukrainian company. This training would be further improved if the Ukrainian students were paired with American MBA students to provide consulting services. The pairs of students would learn a great deal from each other.

D) What additional technical assistance do you believe the Russian or Ukrainian side could use to improve their work in general?

IMI would benefit from Internet access and additional books for their business and economics library.

E) What new directions, do you see as a natural follow-on for this project? Are there others working in the sector that this group might contact and/or collaborate with?

- Management Game

IMI is already working towards making the Management Game part of their executive program.

- International Finance and Foreign Exchange Simulations

IMI is interested in developing simulations akin to FAST in the areas of international finance and foreign exchange markets.

- Case Studies

IMI is in the process of translating some cases developed by Harvard University. It would be beneficial for IMI faculty to learn how to develop and teach case studies. Ukrainian faculty could work with US faculty on developing either US case studies, or better yet, Ukrainian ones. These cases could then be used to teach Ukrainian IMI MBA and Executive Education students.

F) How do you assess the partnership's sustainability plan? What is your sense of how close the partners will be to meeting these goals?

- IPP Grant is part of a larger program of initiatives

The most impressive aspect of this partnership is how well established IMI is for an organization created in response to a new economic order governed by market forces. This grant is part of a series of grants and initiatives that fit into a larger program for IMI. Therefore, the sustainability of this grant is greatly enhanced by the work that IMI has already accomplished, is currently doing and plans to do.

- Elements of grant achieved are becoming an established part of IMI offering

Most elements of this grant have been achieved and are already an established part of IMI curriculum and offerings. FAST is part of the MBA and Executive Education programs,

the Management Game is part of the MBA program, and the Executive Education program is now being offered by IMI.

- Earning Revenue

IMI is earning revenues from initiatives that have been developed under this grant. Modest fees are being earned from the consulting services IMI MBA students provide. In addition, the ability to attract more clients at higher fees was enhanced by the addition of FAST and the Management Game to their MBA and Executive Education Programs. This revenue will ensure that IMI continues to operate and offer these products after the grant ends.

G) Other comments:

As mentioned throughout this evaluation, IMI is an especially mature partner and its strategic location in the capital city of Kyiv gives it access to information and many of the organizations that are located there. Therefore, IMI could be used to assist and train recipients of the grant in other cities in Ukraine.

People met with, sites visited, and events observed:

Natalia Tyuchovskaya, putting together special module on Lenders and Borrowers

Natal Ivaniv, Program coordinator for IMI, liaison between IMI and CMU.

Alla Voronova, MBA Coordinator, on one of faculty conducting FAST

Genady Kanishchenko, Deputy Director, runs Management Game

Andriy Masiuk, Director of IMI, Partnership Project Director

Observed FAST and FAST II demonstration

Observed Management Game demonstration